



Deputy Director Appointed

Sharon Tolton-Reese was appointed Deputy Director in July 2006.

Graduating from St. Martin's University with a degree in criminal justice, Sharon has enjoyed a lengthy public service career that has included duties as: Dispatcher, Deputy Sheriff, Deputy Director at the Criminal Justice Training Commission, and most recently Educator Consultant for the King County Sheriff's Office. Sharon has maintained strong relationships and membership activities with the Washington Association of Sheriffs and Police Chiefs (WASPC) and the International Association of Police Chiefs (IACP). She is also a graduate of the FBI Leadership program in Quantico, Virginia.



(Continued on page 2)

New Commissioner Appointed



Keven Rojecki was appointed as a Gambling Commissioner in July 2006 and attended his first Commission meeting in August. Commissioner Rojecki is a 15-year veteran firefighter with the SeaTac Fire Department, and holds the position of legislative liaison with the Washington State Council of Firefighters.

Problem Gambling

By: Melinda Froud, Staff Attorney

In 2005, Governor Gregoire signed a law that established a state-funded program to prevent and treat problem gambling. In September of 2005, the Department of Social Health Services, through its Division of Alcohol and Substance Abuse (DASA), began a Problem Gambling Program, which provides awareness, education, and treatment services. The Program also features a 24 hour/7-day per week Helpline, staffed by trained individuals.

(Continued on page 3)

Commissioners

John Ellis, Chair
Judge Janice Niemi (Ret.), Vice Chair
Alan Parker
Peggy Ann Bierbaum
Keven Rojecki

Ex-Officio Members

Senator Margarita Prentice
Senator Jerome Delvin
Representative Alex Wood
Representative John Serben

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Executive Assistant Shirley Corbett
Deputy Director Sharon Reese

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Business Operations Division

Administrator Terry Westhoff

Information Technology Division

Administrator Tom Means

Licensing Services Division

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Electronic Gambling Lab

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Acting Assistant Director
Jeannette Sugai

Eastern Region

Agent in Charge Gary Drumheller

Northwest Region

Agent in Charge Greg Thomas

Southwest Region

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is published four times a year.

Discontinuing Progressive Jackpot Games

By: Special Agent David Guhlke, Spokane Field Office

Recently, several card rooms have incorrectly removed house-banked progressive jackpot games from play. Requirements for discontinuing progressive jackpot games and what must be done with the jackpot funds are in WAC 230-40-805(3) and are outlined below.



Players have a vested interest in all progressive jackpot funds that have been advertised or displayed. Card room operators must disburse those funds using one or more of the following ways:

- (1) Transfer the prize to a different progressive house-banked game.
- (2) Donate the prize to the Washington State Council on Problem Gambling.
- (3) Offer the prize through an approved tournament. An approved tournament means a single tournament. The tournament may include multiple rounds, but the progressive jackpot prize fund must be distributed based on the players' final standing in the tournament. The length of the tournament cannot exceed thirty days.

Before a progressive jackpot game can be discontinued, card room operators must receive written approval from us of how they plan to distribute the prize fund. The approved plan must be conspicuously posted at least ten days before the game is discontinued. The prize funds must be distributed within sixty days after the distribution plan is approved by us.

Please contact your local field agent if you have any questions.

Deputy Director Appointed cont.

(Continued from page 1)

Sharon is a returning staff member to the Gambling Commission having worked for the agency from 1985 to 1997 when she was the Assistant Director of Special Operations responsible for Special Investigations and Tribal Gaming. She was a member of the original state compact negotiations team.

Sharon will be working with Tribal governments and managing several service divisions of the Gambling Commission. She looks forward to developing strong value-based partnerships with the governments, communities, and individuals the agency serves.

Sharon was born and raised in Surrey, England, becoming a citizen in 1973 when her family relocated to Snohomish County. She is married to Stephen Reese, a retired Marine Corps, Lt. Colonel. They have two grown daughters, Brittany and Courtney.

Problem Gambling cont.

(Continued from page 1)

The law created a Problem Gambling Account in the State Treasury to fund program services. The law requires the Washington State Lottery, businesses operating games of chance (such as social card games, bingo, raffles, and punchboard/pull-tab games) or operating horse races to pay a business and operating tax. In addition, several Washington Tribal governments voluntarily gave \$552,000 in Fiscal Year 2006 for the treatment of problem gambling.

DASA has contracted with the Washington State Council on Problem Gambling, a private, a non-profit organization, to give presentations to interested groups concerning problem gambling awareness and education. Presentations can be tailored to meet the needs of the audience; topics include problem gambling among youth and the elderly, as well as educating casino employees to recognize the symptoms of gambling addiction.

The Problem Gambling Program offers treatment for gamblers and family members who are Washington State residents; individuals can access treatment by calling the Helpline at 1-800-547-6133. Public funding is available for those who qualify.

The law also established a Problem Gambling Advisory Council (PGAC) to assist in designing and evaluating the Program. The PGAC members represent state agencies, tribal governments, treatment providers, the recovering community, law enforcement, defense attorneys, and the gambling industry. The Committee meets regularly to discuss issues related to the Problem Gambling Program.

DASA recently redesigned the problem gambling posters, which prominently display the Helpline number. In addition to the general awareness poster, other varieties target families, youth and the elderly. An example of one poster is shown to the right.

To request new brochures or posters, or to schedule a presentation regarding problem gambling, call 800.662.9111 or visit DASA's website at: <http://www1.dshs.wa.gov/dasa/services/OPPLR/ProblemgamblingPrgm.shtml>

A youth gambling awareness conference will be held April 4 & 5, 2007, in Seattle. See page 15 for details.

New Phone Numbers in Tacoma

Our Tacoma Field office recently had their phone system upgraded. You may now reach your agent by dialing them directly.

Name	Direct Number
FAX	253.471.5317
Receptionist	253.671.6280
Jeannette Sugai	253.671.6281
Susan Blanchett	253.671.6282
Sonja Dolson	253.671.6283
Shellie Neuman	253.671.6284
Terry Bach	253.671.6285
Debby Vandall	253.671.6286
Lisa Saila	253.671.6287
Kevin Maxwell	253.671.6288
Keith Wittmers	253.671.6289
Fred Wilson	253.671.6290
Curt Moriyama	253.671.6291
Tony Hughes	253.671.6292
Paul Nicholes	253.671.6293
Ray Wakeman	253.671.6294
Julie Mastro	253.671.6297
Jennifer LaMont	253.671.6299

FOR MORE INFORMATION

Washington State Department of Social and Health Services – Division of Alcohol and Substance Abuse

Problem Gambling Program
360-725-3813
www1.dshs.wa.gov/dasa

Washington State Council on Problem Gambling
206-546-6133
www.wscpg.org

Second Chance
www.secondchancewa.org

Teen Gambling Prevention Project
www.timetofoldem.com

National Council on Problem Gambling
www.ncpgambling.org

Gamblers Anonymous
www.gamblersanonymous.org

Gam Anon
www.gam-anon.org

PROBLEM GAMBLING AFFECTS EVERYONE



“I DIDN'T THINK I COULD GET ADDICTED TO GAMBLING – I THOUGHT I WOULD RECOGNIZE THE SIGNS”
– a 38-year old Helpline caller

WASHINGTON STATE PROBLEM GAMBLING HELPLINE
1-800-547-6133



DSHS 22-1146 (6/06)

Rules Changes

Recently Adopted Rule Changes

Lease/Rental Fees for Electronic Bingo Daubers **Effective: 9-14-06**

Electronic bingo card daubers may now be leased based on the number of bingo cards sold to an electronic bingo card dauber for player selection games.



House-Banked Card Room Financial Statements **Effective: 01-01-07**

The change clarifies that house-banked card room operators must have their accounting system in place prior to licensure and maintain it according to Generally Accepted Accounting Principles. All income and expenses for the business entity must be included in the accounting system and receipts from both house-banked and nonhouse-banked card games must be included in the financial statement submitted to us.

Proposed Rule Changes Removed from Discussion



Crediting Pull-Tab Winnings to Gift Cards

The petitioner withdrew their request for a rule change to allow punchboard/pull-tab winnings of \$20 or less to be credited to a gift card rather than paying the prize in cash.

In August 2006, the Commission approved a rule change to allow gift cards to be used to participate in gambling activities. However, the change did not allow gambling winnings to be credited to gift cards.

Two Part Payment Plan for License Fees

After further review, staff will not be moving forward with a rule change to remove the option for licensees to use the two-part payment plan for license fees.

Proposed Rule Changes Removed from Discussion cont.

Card Room Logo Chips

The Commission did not approve the petitioner's request and it was removed from discussion. The petitioner requested that unlicensed persons be allowed to possess discontinued gaming chips from card rooms that have closed, or that have changed their chip logo. The petitioner's intent was to allow chip collectors to buy and sell discontinued logo chips.



Rules Changes under Review

Proposed rule changes are generally discussed at three Commission meetings. At the first meeting rules are "Up for Discussion and Possible Filing." Normally, they are filed for discussion at the next meeting. At the second meeting the rules are "Up for Discussion;" and the third meeting "Up for Final Action." When rules are Up for Final Action, the Commission may choose to adopt the rules, hold them over for further discussion, or remove them from discussion.

Do you have something to say about a proposed rule change?

If you have comments on rule changes under review, you are encouraged to attend a Commission meeting.

If you can't attend a meeting, send your comments to:
WSGC, Attention: Rules Team
P.O. Box 42400
Olympia, WA 98504
Or e-mail: Rulesteam@wsgc.wa.gov.

For more information about these proposed rule changes, visit our website at www.wsgc.wa.gov and select Rules and Laws, Rules under Review, or select Public Meetings, October 2006, Commission meeting.

Rule Changes under Review

At the October 13, 2006, Commission Meeting

Up for Final Action

Gambling Service Suppliers

This proposed rule change clarifies which type of financiers need to be licensed and which do not. Businesses that analyze gambling equipment would need to be licensed. Businesses that enter into ongoing financial relationships with manufacturers to provide “gambling related software” would need to be licensed. “Gambling related software” affects the results/outcome of games or directly interfaces with, or controls, the operation of the gambling equipment.

Poker at Fund-Raising Events

This proposed rule change would allow poker to be played at fund-raising events (Reno Nights).



Up for Filing

License Fee Increase

The proposed rule change would increase licensing fees approximately 3%, to cover the cost of regulating charitable/nonprofit and commercial organizations, and individuals. The fee increase would not be effective until June 30, 2007. Fees have not been increased since June 30, 2003.

Petition for Rule Change from Seattle Jaycees

The proposed rule change would assist charitable and nonprofit licensees because the potential benefit would be the elimination of tax on punchboard/pull-tab income. The resulting savings (potentially) could be thousands of dollars per licensee.

Up for Filing

Tip Reporting for Card Room Employees

The proposed rule change would require more detailed procedures for the accountability of tips received by card room employees in house-banked card rooms. Under the amendments:

1. Tip (“toke”) drop boxes must be locked and remain under camera coverage at all times; and
2. Tips must be redeemed under surveillance; and
3. Card room employees (CRE) must accurately report all tips to their employer. This puts the burden on the CRE to report accurately; and
4. Tips received by the cage cashier must be counted and documented by the shift/floor supervisor or security.

Scheduling Reconsideration Hearings

The proposed rule change authorizes the Commission to automatically schedule petitions for reconsideration of Final Orders issued by the Commission. If the petition for reconsideration is received less than 15 business days before a regularly scheduled Commission meeting, the petition will be heard at the meeting immediately following the regularly scheduled Commission meeting.



Petition for Rule Change from the Washington Charitable and Civic Gaming Association

The proposed rule change would give charitable and nonprofit bingo operators a two year moratorium from cash flow requirements. Bingo licensees will still be required to have a positive cash flow and meet “significant progress” requirements.

Petition for Rule Change from Leading Edge Software

Currently, house-banked card room licensees must process fills and credits using a three part form dispensed from a “whiz machine.” The proposed rule change would allow each page of the three part form to be printed separately by a printer from a computer based program.

The number of Activity Reports you must submit has been reduced to only twice a year for most licensees, instead of four times per year. The only exceptions are Bingo licensees (class D and above) and licensees that have been reporting annually (raffles, amusement games, etc.) **An Activity Report must be submitted even if you have no activity for that quarter.** This means turning in a signed report stating “No Activity.”

ACTIVITY REPORT DUE DATES

1st and 2nd quarters	July 30
3rd and 4th quarters	January 30

Late Activity Reporting

A Statement of Administrative Charges was issued to the following licensees.

By: Michelle M. Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Beacon Pub, Seattle	Failure to timely submit its punchboard/pull-tab Activity Reports since it received a gambling license in July 2004.	The licensee failed to respond to the charges and a Default Order was entered revoking its license.
Blue Dolphin, Oak Harbor	Failure to timely submit its punchboard/pull-tab Activity Reports for the first and third quarters of 2004 and all the quarters of 2005. Additionally, the licensee failed to pay its Industrial Insurance taxes.	The licensee failed to respond to the charges and a Default Order was entered revoking its license.
Pow Wow Tavern, Springdale	Failure to timely submit its punchboard/pull-tab Activity Reports for the second, third, and fourth quarters of 2005.	The licensee failed to respond to the charges and a Default Order was entered revoking its license.
VFW 02100, Everett	Failure to timely submit its punchboard/pull-tab Activity Reports for all the quarters of 2004 and the third and fourth quarters of 2005.	The licensee agreed to a 20 day suspension, with eight days deferred for two years and twelve days vacated by fines and costs totaling \$1,300.

The last Commission Meeting of 2006 will be held

November 16 & 17
DoubleTree Guest Suites
16500 Southcenter Parkway
Seattle, WA 98188 - 206.575.8220

Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
ARC of Kitsap County, Bremerton	Excessive reserves and failing to make significant progress toward its stated purpose.	Prior to the hearing, the licensee created an irrevocable trust and placed the excessive reserves into it. Further, the licensee agreed to a 30-day suspension, with 15 days deferred for one year and 15 days vacated by a fine and administrative costs totaling \$14,775.
Jaycees/Seattle, Tukwila	Excessive reserves and failing to make significant progress toward its stated purpose.	Prior to the hearing, the licensee created an endowment and placed the excessive reserves into it. Further, the licensee agreed to a 30-day suspension, with 20 days deferred for one year and 10 days vacated by fines and administrative costs totaling \$7,360.
Loyal Order of Moose #00494, Ellensburg	Failure to maintain an independent management control structure, failure to deposit gambling receipts within two banking days, failure to maintain accurate and detailed records, and failure to protect the organization's assets from misuse.	Prior to a hearing, the licensee agreed to a 15 day suspension with five days deferred for one year. The licensee will serve the remaining 10 days. The licensee has made changes to its personnel and pull-tab operation and will reimburse the Commission for the costs incurred in conducting a follow-up inspection.
Mid Columbia Coalition for Children, Applicant, Kennewick	Failure to meet the adjusted cash flow requirements while operating under a previous gambling license.	The applicant agreed to a Settlement in Lieu of Administrative Charges. The applicant created new policies and has reduced overhead costs and once licensed it agreed to a seven-day suspension which was deferred for one year and a fine of \$250.
Northern Lights Drum & Bugle Corp., Longview	Failure to protect the organization's assets from misuse, used gambling proceeds to benefit persons other than the organization, failure to maintain 15 active voting members, failure to report a loan, reduced a progressive bingo jackpot, failure to have enough funds to cover bingo jackpot prizes, providing services contrary to its stated purpose, misallocated expenses, mismanaged gambling funds, and failure to pay Department of Labor and Industries taxes and penalties.	Prior to the hearing, the licensee agreed to surrender their gambling licenses.

Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Mother Nature's Natural Helpers, Wenatchee	Failure to maintain an independent management control structure and failure to protect the organization's assets from misuse.	Prior to the hearing, the licensee agreed to a 15-day suspension with five days deferred for one year and 10 days vacated by a fine and costs totaling \$13,090. The licensee has made changes to its personnel, bingo, and pull-tab operation and will reimburse the Commission for the costs incurred in conducting a follow-up inspection.
Bluz at the Bend, Spokane	Allowed unlicensed card room employees to work, exceeded the number of house-banked card tables for which it was licensed, purchased and used unauthorized gambling equipment from an unlicensed supplier, internal control violations and allowed a minor to gamble.	The licensee agreed to surrender its house-banked cardroom license and not to reapply for at least 30 days. The licensee also agreed to a three-day suspension of its punchboard/pull-tab license, with one day deferred for one year and two days vacated by a fine and administrative costs totaling \$612.
Montana Steakhouse & Saloon, Wenatchee	Failure to delete pull-tab flares, failure to record the required information on winning tickets, and failure to closely control pull-tab prizes.	The licensee agreed to surrender its card room and punchboard/ pull-tab gambling licenses because it was no longer in business.
Rascals Casino & Restaurant, Seattle	Failure to provide corporate, financial, and personal information on the individuals and/or entities that made a loan to former president, failure to disclose loans, and delinquent in its gambling tax payments to King County.	Prior to the hearing, the licensee surrendered its licenses, and agreed that if any owner reapplies, they must establish that they are qualified to hold a gambling license. Also, all Player Supported Jackpot funds will be distributed to the Washington State Council on Problem Gambling.
Sunset Junction and Hideout Tavern, Spokane	Failure to disclose owner's criminal history on renewal application and failure to report all criminal and administrative actions filed against the owner.	The licensee agreed to a seven-day suspension, with two days deferred for one year and five days served.
Northwest Game Services, Browns Point	Operating after license expired.	The licensee failed to respond to the charges and a Default Order was entered revoking its license.

Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Ian McDonald, Card Room Employee (CRE), (formerly employed at Midway Casino and Westside Lanes) Olympia	Cheating	The licensee failed to respond to the charges and a Default Order was entered revoking his license.
Antonio Stillwell, Applicant, Shoreline	Criminal History	An Administrative Law Judge (ALJ) issued an Order denying Mr. Stillwell's application.
Shaun L. Elliott, Applicant, Tacoma	Failure to fully disclose his criminal history	An ALJ issued an Order denying Mr. Elliott's application.
Tin H. Chau, Applicant, Olympia	Failure to disclose a material fact on his application.	An ALJ issued an Order denying Mr. Chau's application.
Chrep Vat, Class III Employee, (formerly employed by the Muckleshoot Casino) Auburn	Failed to prove, by clear and convincing evidence, that she was qualified.	An ALJ issued an Initial Order revoking Ms. Vat's Class III Certification.
Larry D. Foland, CRE, (formerly employed at Bluz at the Bend) Spokane	Caused his employer to violate gambling rules and regulations and continued to use illegal gambling equipment after being cited.	Prior to the hearing, the licensee agreed to surrender his gambling license.
Raymond Orme, CRE, (formerly employed at Rascals Casino) Puyallup	Illegally possessed gambling equipment and tried to sell gambling equipment without a distributor's license.	An ALJ issued an Order revoking Mr. Orme's license.
Andy Q. Dau, CRE, (formerly employed by Last Frontier/ New Phoenix Casinos) Vancouver	Placed bets with a bookmaker.	An ALJ issued an Order revoking Mr. Dau's license.
Steve Tran, CRE, (formerly employed by Last Frontier/ New Phoenix Casinos) La Center	Placed bets with a bookmaker.	An ALJ issued an Order revoking Mr. Tran's license.
Adam T. Froese, CRE, (formerly employed at Big Daddy's CBG) Spokane	Gave approximately \$1,023 in pull-tabs to patrons without collecting payment.	The licensee failed to respond to the Summary Suspension and a Default Order was entered revoking his license.

Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Thinh V. Bui, CRE, (formerly employed at Parkers Sports Bar & Casino) Shoreline	Theft of casino gambling chips while working as a dealer.	An ALJ issued an Order revoking Mr. Bui's license. The licensee filed a Petition for Review. The Commissioners issued a Final Order on Petition for Review agreeing with the ALJ's Initial Order revoking Mr. Bui's license.
Brian R. Dunn, CRE, (formerly employed at Z's Restaurant at Zeppoz) Pullman	Theft of approximately \$2,325 in casino gambling chips while working as a dealer.	The licensee failed to respond to the Summary Suspension and a Default Order was entered revoking his license.
Jason Miller, CRE, (formerly employed at Buzz Inn Steakhouse) East Wenatchee	Theft of approximately \$65,347 while working as an accounting employee.	The licensee failed to respond to the Summary Suspension and a Default Order was entered revoking his license.
Jenni Schaefer, CRE, (formerly employed at Hawks Prairie Casino and Happy Days Casino) Lacey	Theft of approximately \$70,004 while working as an accounting employee.	The licensee failed to respond to the Summary Suspension and a Default Order was entered revoking her license.
Nhuy S. Tran, CRE, (formerly employed at Wizards Casino) Renton	Theft of approximately \$500 to \$650 dollars in casino gambling chips while working as a dealer.	An ALJ issued an Order revoking Ms. Tran's license.

Washington State Gambling Commission 2007 Commission Meeting Schedule

A full schedule will be published in the next edition of this newsletter.

January 11 & 12

DoubleTree Guest Suites - Seattle

16500 Southcenter Parkway
Seattle, WA 98188 - 206.575.8220

February 8 & 9

Red Lion Hotel - Olympia

2300 Evergreen Park Drive
Olympia, WA 98502 - 360.943.4000

March 8 & 9

Red Lion Hotel - Olympia

2300 Evergreen Park Drive
Olympia, WA 98502 - 360.943.4000

April 12 & 13

Red Lion Hotel - Pasco

2525 N. 20th Avenue
Pasco, WA 99301 - 509.547.0701

May 10 & 11

The Heathman Lodge - Vancouver

7801 NE Greenwood Drive
Vancouver, WA 98662 - 360.254.3100

June- No Meeting

July 12 & 13

La Quinta Inn & Suites

1425 East 27th Street
Tacoma, WA 98421 - 253.383.0146

AMENDATORY SECTION

WAC 230-20-244 Electronic bingo card daubers-Definition-Operating restrictions-Standards. The commission deems that any device, apparatus, or scheme that allows a player in any gambling activity a material advantage over other players is against public policy and restriction of such is in the public's interest. Electronic bingo card marking devices or daubers are deemed to provide a player a material advantage unless operated in accordance with subsection (2) of this section. For purposes of this title, the following definitions, restrictions, and standards apply to such devices:

Definition.

(1) Electronic bingo card daubers are defined as electronic appliances used by players to identify bingo cards that contain numbers or symbols input by a player. These devices electronically store preprinted bingo cards purchased by a player, provide a means for players to input numbers or symbols called by the operator, compare the numbers or symbols input by the player to bingo cards previously stored in an electronic data base, and identify to the player those stored bingo cards that contain the numbers or symbols input by the player: Provided, That player-owned devices, which are not directly interfaced with or connected to equipment used to conduct bingo games or the electronic data base in which electronically generated bingo cards are stored in any manner, are not "electronic bingo card daubers" for purposes of this title;

Operating restrictions.

(2) Electronic bingo card daubers will not be deemed to provide players a material advantage and may be used by players in bingo games when operated in the following manner:

Player responsibilities.

(a) The player must perform at least the following functions:

(i) Input each number or symbol called by the operator into the memory of the dauber unit by use of a separate input function for each number symbol. Automatic or global marking of numbers or symbols is prohibited;

(ii) Notify the operator when a winning pattern or "bingo" occurs by means that do not utilize the dauber unit or the associated system; and

(iii) Identify the winning card and display the card to the operator;

Maximum number of cards to be played during each game.

(b) Each electronic dauber unit shall not allow a player to play more than sixty-six cards at one time.

(c) Each player shall not use more than one electronic dauber at any point in time. Provided, That a player can play an unlimited amount of disposable or hard bingo cards in addition to using one electronic dauber unit.

Reserving electronic bingo card daubers.

(d) Operators shall not reserve electronic daubers for any player. An operator must devise and disclose to players a scheme for assignment of dauber units to players during each session. Such schemes shall allow all players an equal opportunity to utilize the available dauber units. If a drawing is used to assign dauber units to players, the operator shall ensure

that each player participating in the drawing has an equal chance to win: Provided, That operators that offer electronic dauber units shall reserve at least one device for players with disabilities that would restrict their ability to mark cards and such disabilities are consistent with definitions set forth in the Americans with Disabilities

Act (ADA). If there are no requests for use of this unit prior to fifteen minutes before the scheduled start of the session, it may be made available for use by any players;

Fees.

(e) If operators charge players a fee for use of the electronic daubers, such fees must be a flat fee and shall not be based on the number or dollar value of cards purchased. Rental fees shall be considered bingo receipts for purposes of WAC 230-12-020: Provided, That players with disabilities that would restrict their ability to mark cards and such disabilities are consistent with the ADA shall not be required to pay a rental fee or to comply with minimum purchase requirements imposed on all players utilizing electronic daubers. Such players are required to comply with any minimum purchase requirement imposed on all players by an operator;

Card requirements.

(f) Each player utilizing an electronic dauber must have in their possession cards that meet all requirements of WAC 230-20-240 and 230-20-106. Electronic images of cards or faces stored in such devices are for player convenience only and are not bingo cards for purposes of this title;

Leasing by an operator.

(g) If the electronic daubers are leased to an operator, the lease cannot be based in whole or part on the amount of bingo card sales or rental income derived from such devices. Except that fees may be based on the number of cards sold to a device only for player selection games as described in WAC 230-20-241; and

Discounts and marketing schemes.

(h) The use of electronic daubers is prohibited when a licensee utilizes any marketing scheme for cards that results in a decrease in the per unit price of each card as the number of cards purchased increases: Provided, That a single discount level is authorized for each type of card sold if:

- (i) The licensee has a minimum purchase requirement;
- (ii) The discount applies to all additional cards purchased; and
- (iii) "All you can play" schemes are prohibited;

Standards.

(3) Electronic bingo card daubers must meet the following standards:

- (a) Be manufactured by licensed manufacturers;
- (b) Be sold, leased, and serviced by licensed distributors or manufacturers: Provided, That operators may perform routine maintenance on devices under their control;
- (c) Not be capable of accessing the electronic computer system in any manner that would allow modification of the program which operates and controls the dauber units or the cards stored in the electronic data base; and
- (d) Be capable of complying with applicable requirements of WAC 230-20-106.

This page was intentionally left blank.
Please remove the rule amendments on reverse and insert them into your rules manual.

AMENDATORY SECTION

**WAC 230-40-821 ((General accounting records-
House-banking.)) Accounting system-House-banked
card rooms.** Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff prior to licensure. Such records shall include all ~~((details of activities related to the conduct of the licensed activity))~~ receipts and disbursements of the licensee, including, but not limited to, those related to gambling activities. The following requirements shall apply:

Revenue, costs, and expenses.

(1) Each licensee shall maintain legible, accurate and complete records of all transactions relating to the revenues, and costs, and expenses of the gaming operation. These records shall be maintained in a format to ensure consistency, comparability, and effective disclosure of financial information.

((General accounting records)) Accounting system.

(2) ~~((General))~~ The accounting ((records)) system shall be ~~((maintained on))~~ a double entry system of accounting with transactions recorded on an accrual basis and in conformity with generally accepted accounting principles, to include detailed, supporting, subsidiary records, sufficient to meet the requirements below.

Recordkeeping.

(3) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

(a) Records of all patrons' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible";

(b) Statistical game records to reflect drop and win amounts for each table, for each game, and for at least each period for which the drop boxes are removed, which shall be at the minimum, the end of each gaming day;

(c) Records of investments in property, including, but not limited to, equipment used directly in connection with the gaming operation;

(d) Records of amounts payable by the gaming operation;

(e) Records which identify the purchase, receipt, and destruction of all cards and gaming chips used in wagering; and

(f) Records of services provided for the operation of gaming activities.

Copies.

(4) Whenever duplicate or triplicate copies are required of a form, record or document:

(a) The original, duplicate, and triplicate copies

shall be color-coded;

(b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and

(c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately to the commission for investigation.

Storing documents.

(5) All forms, records, documents and stored data required to be prepared, maintained and controlled shall:

(a) Have the title of the form, record, document, or stored data (such as "fill slip," "request for fill," "credit slip," "request for credit," "reconciliation," etc.), imprinted or preprinted thereon or therein; and

(b) All records shall be maintained for a period of not less than three years. At least the past six months of gambling records must be available for inspection on premises.

Employee records.

(6) Licensees shall maintain a records system that ensures all applicable employees have met licensing requirements. The system shall be maintained on the premises and include the following:

(a) Employee names;

(b) Gambling license numbers;

(c) Gambling license expiration dates; and

(d) Photocopies of all current employees'

licenses.

Record of employees who have not yet received a license.

(7) If an employee license has not yet been issued, the licensee shall maintain a copy of the following:

(a) Temporary employment authorization;

(b) Documentation that the required payment (license or transfer fee) has been made; and

(c) Proof that the employee has adhered to the ten-day waiting period, if applicable.

Notification- new license not received.

(8) The licensed card room operator shall ensure commission staff is notified if an employee license has not been received within sixty days of employment.

AMENDATORY SECTION

WAC 230-40-823 Financial ~~((audits and reviews)) statements required-((House-banking)) House-banked card rooms.~~ Each licensee ~~((operating))~~ authorized to offer house-banked card games shall prepare financial statements covering all financial activities of the licensee's establishment for each business year. The following definitions and requirements shall apply:

(1) The following definitions shall apply to all subsections of this rule:

(a) "Financial statements" shall include at least the following: Balance sheet, statement of income, statement of retained earnings or changes in equity, statement of cash flows, and all required notes or disclosures. All financial statements must be in accordance with the United States generally accepted accounting principles.

(b) "Card room gross receipts" shall include receipts from all house-banked and nonhouse-banked card games offered by the house-banked card room.

(c) "Independent" means there is no relationship that may influence a certified public accountant's impartiality and objectivity in rendering services.

Audited financial statements -gross receipts over three million dollars.

~~((1))~~ (2) Each licensee with ~~((house-banked card-game))~~ card room gross receipts in excess of three million dollars for the business year shall engage an independent, certified public ~~((accountant))~~ accounting firm licensed by the Washington state board of accountancy who shall audit the licensee's financial statements in accordance with generally accepted auditing standards.

Reviewed financial statements -gross receipts of one to three million dollars.

~~((2))~~ (3) Each licensee with ~~((house-banked card-game))~~ card room gross receipts of one to three million dollars for the business year shall engage an independent, certified public ~~((accountant))~~ accounting firm licensed by the Washington state board of accountancy who shall review the financial statements in accordance with the statements on standards for accounting and review services or audit the financial statements in accordance with generally accepted auditing standards.

Compiled financial statements -gross receipts of less than one million dollars.

~~((3))~~ (4) Each licensee with ~~((house-banked card-game))~~ card room gross receipts of less than one million dollars for the business year shall engage an independent, certified public ~~((accountant))~~ accounting firm licensed by the Washington state board of accountancy who shall compile the financial statements in accordance with the statements on standards for accounting and review services in accordance with generally accepted accounting principles, including all required ~~((footnotes))~~ notes or disclosures on an accrual basis of accounting.

Financial statement presentation.

~~((4))~~ (5) The financial statements must be presented in the following manner:

(a) Financial statements shall be submitted on a comparative basis: Provided, That the first year may be submitted for the current business year only; and

(b) Gross revenues from each licensed activity should be reported by activity and separate and apart from all other revenues.

Consolidated financial statements.

~~((5))~~ (6) Consolidated financial statements may be filed by commonly owned or operated establishments. These statements must include consolidated schedules presenting separate financial statements for each licensed card room location.

Change in business year.

~~((6))~~ (7) If a licensee changes its business year, they shall notify the director within thirty days. The licensee shall submit financial statements for the period covering the end of the previous business year to the end of the new business year.

Filing with the commission.

~~((7))~~ (8) A copy of the report and the financial statements shall be submitted to the director within one hundred twenty days following the end of the licensee's business year. The director may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

~~((Effective date.~~

~~((8) This rule will be effective for business years ending on or after July 1, 2004.))~~

“21”

YOUTH GAMBLING AWARENESS IN THE 21ST CENTURY

A whole generation is growing up in a society where gambling has been readily available—celebrity poker tournaments and Internet gambling to sports betting and even casino nights at their schools.

Are they ready to make informed choices?

What are our roles and responsibilities?



**Washington State
Council on Problem Gambling**

**Western Regional Conference on
Youth Gambling Awareness
April 4-6, 2007
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Our Mission: Protect the Public By Ensuring that Gambling is Legal and Honest.

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Washington State Gambling Commission

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